



# NEWSLINE

*An Official Publication of the Tennessee Auctioneer Commission  
Tennessee Department of Commerce and Insurance*



Volume XXXVI

December 2005

## IN THIS ISSUE

### PAGE 1

Chairperson's Report

### PAGE 2

Using Your ID Number  
Reciprocal States  
Available Info Online

### PAGE 3

Easements, Profits, License in Land  
Online Renewal  
New Commissioner

### PAGE 4

Future Seminars

## Chairperson's Report

by John McLemore, Chairperson



All of my life I have heard events both good and bad occur in threes. In my capacity as an attorney and a bankruptcy trustee I have been around the auction business for more than 25 years. Since becoming a member of the Tennessee Auctioneer Commission, I have noticed advertisements for business liquidation auctions being conducted by

the businesses. I have seen three in the past three months.

As the consumer member of the TAC, I have concluded it is my duty to look out for the sellers and buyers that choose to participate in the auction method of trading property. I want to make certain everyone who hires an auctioneer receives a well advertised and well managed auction and receives every penny he/she is due at the closing. I also want bidders and buyers to have a complete and accurate description of the item on the block. There is nothing more exciting than a bidding frenzy where bidders compete for items. There is nothing that will chill an auction quicker than an obvious shill in the crowd. The presence of a shill not only ruins the auction where the fraud is taking place, but adversely impacts the credibility of the entire auction profession in the area.

Auctioneers are sometimes too quick to be critical of one another. They are very competitive and I have never met an auctioneer who was not certain he/she could do a better job than the competition. Few auctioneers are willing to provide the Commission with information on auctions that are not conducted according to the law.

I have been amazed at the ads I have seen in major newspapers announcing that ABC Corporation will liquidate the contents of its plant in a major two-day sale on a date and time certain. In small type at the bottom of one ad, it announced plant personnel would be conducting the auction. In the other two ads no auctioneer was listed.

The first question that comes to mind is: Why was the local licensed auctioneer not hired? The other questions that arise are: Who is going to be collecting the money? Will the corporation have an adequate and accurate bookkeeping system? Will the bidders be participating in a fair and honest auction? Will the corporation have shills in the crowd to run up the bidding or bid in

## COMMISSION MEMBERS AND STAFF

**John McLemore, Esq.**, Chairperson

Consumer Member

Term 9/1/04 - 8/31/07

**Howard Phillips**, Vice Chairperson

Term 9/1/03 - 8/31/06

**Marvin Alexander**, Board Member

Term 11/30/04 - 8/31/07

**Bobby Colson**, Board Member

Term 8/31/04 - 8/31/07

**Kenneth Dreaden**, Board Member

Term 11/10/05 - 8/31/08

**Lynn McGill**, Administrative Director

lynn.mcgill@state.tn.us

**Sheila Piper**, Administrative Assistant

sheila.d.piper@state.tn.us

**Website:** [www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction)

### MISSION STATEMENT:

The mission of the Tennessee Auctioneer Commission is to protect the public and licensees by monitoring the auctioneer profession through licensure and regulation.

STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE & INSURANCE  
TENNESSEE AUCTIONEER COMMISSION  
500 JAMES ROBERTSON PARKWAY  
DAVY CROCKETT TOWER, 6TH FLOOR  
NASHVILLE, TENNESSEE 37243-1152  
615-741-3236 615-741-1245 (Fax)  
[www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction)



(continued on page 2)

**Chairman's Report (continued)**

items that do not bring a predetermined price?

There are certain exceptions written into the Tennessee Auction Licensing Law that allow certain unlicensed persons to legally hold auctions. As a Trustee in Bankruptcy, I can and have conducted sales of estate assets. Individuals can sell their own property, although few do. And there are at least a half dozen more special situations where the auctioneer does not have to be a licensed member of the profession.

There may be situations in which the employees of a corporation can legitimately conduct the liquidation of the company assets without violating the auction laws in this state. On the other hand, there are situations in which corporations may be selling illegally and incompetently. I fear some corporations are checking to see what the penalty for conducting an unauthorized auction in this state might be. When the boss is told a fine of \$2,500 is the top fine that can be imposed, he/she may decide that it is less expensive to pay the fine than paying an auction commission.

A bad auction hurts the public (bidders) and every licensed auctioneer in the community. If you see an ad similar to the ones I have described, call the TAC and report it. Provide the Commission staff with all the information you can gather about the pending sale. The quicker the Commission knows, the quicker an investigation can begin and the quicker the TAC can act.

The news of a bad auction flies like an arrow...the news of a good auction flies like a banana.

**USING YOUR ID NUMBER**

by Lynn McGill  
Administrative Director

License holders need to call the Tennessee Auctioneer Commission for various reasons. The staff would like to help you speed up your inquiries for information with regard to your license. When you call the TAC about your license or license information please have your license number and pocket card available when you call. The process of being able to use the information on your pocket card to access your files will speed up your inquiries.

Remember, you should have your pocket card with you at all times for identification and license purposes. If you have lost or misplaced your pocket card, you should apply for a replacement.

**RECIPROCAL STATES**

The Tennessee Auctioneer Commission leads all the states with regard to forming reciprocal agreements with states that require licenses to hold auctions. At the present time, Tennessee has reciprocal agreements with seventeen (17) states. The reciprocal states are:

- |               |                  |
|---------------|------------------|
| • Alabama     | • North Carolina |
| • Arkansas    | • Ohio           |
| • Florida     | • Pennsylvania   |
| • Georgia     | • South Carolina |
| • Indiana     | • Texas          |
| • Illinois    | • Virginia       |
| • Kentucky    | • West Virginia  |
| • Louisiana   | • Wisconsin      |
| • Mississippi |                  |

In order to get a reciprocal license in any of the above states you must be a resident of Tennessee and hold an auctioneer license in good standing. You must fill out the forms provided by the reciprocal state and pay the appropriate fees. A full list of the states and contact information is displayed on the TAC website.

**WHAT IS AVAILABLE FOR LICENSEES ONLINE?**

The Tennessee Auctioneer Commission website can provide licensees with a wide variety of information. Anyone can access the TAC online website at the address [www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction).

The website provides current and past issues of the TAC Newsline Newsletter, a list of Continuing Education Providers, a list of approved courses, downloadable forms, information on staff, information on board members and other information that is helpful to licensees.



*Season's Greetings*

## **EASEMENTS, PROFITS & LICENSES IN LAND**

The Tennessee Auctioneer Commission presented its latest continuing education course *entitled Easements, Licenses and Profits in Land*. The course was written and presented by Terry Evans. This topic was presented in Knoxville on October 24, 2005 and received excellent ratings by attendees.

The course will be presented in Middle Tennessee in March and in West Tennessee in May of 2006. This is a seminar you will want to attend. A new power point presentation will accompany the course and printed material. If you sell real estate at auction, you will want to attend this course. If you do not sell real estate, this is a course that will inform those auctioneers that own real estate.

Additional information on these seminars can be found on the last page of this newsletter.



## **ONLINE RENEWAL**

The Tennessee Auctioneer Commission was the first board in Commerce and Insurance, Regulatory Board to accept online license renewals. This service allows the license holder to renew an apprentice, auctioneer, gallery, firm or branch license via the internet using a credit card.

To renew a license online you should go to [www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction) and click on **Renewal Online**. The website will take you through the simple renewal process. You may use your Mastercard, Visa, American Express, or Discover card to pay for your license renewal fees.

"Using the Online Renewal system to renew your licenses is a quick and easy way to insure your licenses are renewed timely," said Lynn McGill, Administrative Director for the Tennessee Auctioneer Commission. "We see more and more licenses using the online option for license renewal. It is quick and easy to use this system. If a licensee has a problem using the online system, we will be glad to help them. Several licensees attending recent TAC seminars said they had used the online renewal system and found it easy to use and would use the system again. We encourage licensees to give the system a try. If you don't have a computer, go to your local library and they will help you access the online renewal system."

## **KENNETH DREADEN APPOINTED TO THE TAC**

Kenneth Dreaden, Auctioneer, Real Estate Broker and Real Estate Appraiser, from Waverly, Tennessee has been appointed to a three year term to the Tennessee Auctioneer Commission. Mr. Dreaden has served two previous terms on the TAC. He is the At-Large member of the Commission since November 10, 2005.



Commissioner Dreaden is the president and owner of Bill Collier Realty & Auction, a 44 year old real estate and auction firm serving Humphreys County and the surrounding area. The firm has five licensed auctioneers and is experienced in all types of real estate and personal property sales.

Kenneth Dreaden is a 1979 graduate of Reppert Auction School and has been a licensed auctioneer for 26 years holding license #21. Commissioner Dreaden is a member of the Tennessee Auctioneer Association and National Auctioneer Association and is a member of the Tennessee Auctioneer Hall of Fame. He has served as Vice-President and President of the Tennessee Auctioneer Association.

"We are happy to have Kenneth Dreaden serve on the Tennessee Auctioneer Commission," said Lynn McGill, Executive Administrator of the TAC. "Kenneth brings a wealth of knowledge and experience to the Commission. The fact Mr. Dreaden has served two previous terms on the Commission provides him with a unique position of being able to immediately contribute to Board decisions."





## 2006 TAC Seminars

The next two seminars sponsored by the TAC will be in the first and second quarters of 2006. The course topic will be "Easements, Profits and Licenses in Land" and everyone attending will receive six hours of auctioneer continuing education credit.

Our speaker for these seminars will be Terry Evans of Lobelville, Tennessee. This subject was presented in Knoxville, Tennessee at our last seminar and contains valuable information every auctioneer should know. Make your plans to attend one of these seminars and get your continuing education credits for the next renewal period. The locations and times of the seminars are listed below:

### Programs at a glance...

**Date:** Monday, March 6, 2006

**Time:** 8:00 a.m. Standard Time

**Place:** Doubletree Murfreesboro  
1850 Old Fort Parkway  
Murfreesboro, TN 37129  
615-895-5555

**Topic:** "Easements, Profits & Licenses in Land"

**Credit:** 6 hours auctioneer credit

**Date:** Monday, May 1, 2006

**Time:** 8:00 a.m. Standard Time

**Place:** Doubletree Jackson  
1770 Highway 45 Bypass  
Jackson, TN 38305  
731-664-6900

**Topic:** "Easements, Profits & Licenses in Land"

**Credit:** 6 hours auctioneer credit

**Pre-registration:** None

**Pre-registration:** None

**Merry Christmas**



TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE AUTHORIZATION No. 335170, Revised 5/96. This public document was promulgated for 13,200 copies per issue, at a cost of 26 cents per copy, paid by the Tennessee Auctioneer Commission Education and Recovery Fund.

"The Tennessee Department of Commerce and Insurance is committed to principals of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 741-2177 (TDD).

PRESORTED  
FIRST-CLASS MAIL  
U.S. Postage PAID  
Columbia, TN 38401  
Permit No. 710



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE & INSURANCE  
TENNESSEE AUCTIONEER COMMISSION  
500 JAMES ROBERTSON PARKWAY  
DAVY CROCKETT TOWER, 6TH FLOOR  
NASHVILLE, TENNESSEE 37243-1152  
615-741-3236 615-741-1245 (Fax)  
[www.state.tn.us/commerce/boards/auction](http://www.state.tn.us/commerce/boards/auction)